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Ex Parte Filing

William F. Caton, Secretary
Federal Communications Commission
1919 M Street, N.W., Room 222
Washington, D.C. 20554

In re Matter of the Pay Telephone Reclassification and Compensation Provisions of the Telecommunications Act of 1996, **CC Docket No. 96-128**

Dear Mr. Caton:

The RBOC Payphone Coalition submits this letter to respond to various questions raised by staff members in the above-captioned proceeding.

The Need for a Flexible MPOE for Payphones. Under the Commission's current rules, the network interface is generally installed within 12 inches of the cable terminal in the building occupied by the subscriber. This makes sense for most CPE, which is almost always located and used inside of the subscriber's building. But payphones often are located outside the subscriber's premises. In fact, in many instances -- for example, at gas stations, in parking lots, and at grocery stores -- the payphone is not only located outside of the subscriber's building, but a fair distance away from it as well.

Where the payphone is located outside the subscriber's building, the payphone line often has no connection with the building at all; as a result, the LEC connects the payphone directly to the nearest network terminal. Where the payphone is not even connected to the subscribers' premises, the MPOE standard should not be linked to the subscriber's premises either. Instead, the MPOE standard must be sufficiently flexible to allow the installation of a network interface a reasonable distance from the payphone set or its enclosure.

Applying an inflexible standard would impose significant social costs -- and result in the removal of many payphones. First, if LECs are required to install the network interface at the customer's building, they often will have to excavate and lay new cable between the building and the actual phone site. To give one example, a service station in one of the BOC's territories has a payphone installed at the edge of the asphalt. While this payphone is 60 feet from the station itself, it is within 5 feet of a buried terminal. If the RBOC were required to place the network interface at the service station itself rather than in a sensible location -- such as somewhere between the buried terminal and the payphone enclosure -- the RBOC would have to jackhammer the asphalt, run conduit between the station and the payphone, and resurface or replace the asphalt. This would cost thousands of dollars and seriously inconvenience (and perhaps harm the business of) the service station owner.[1] In contrast, the network interface could be placed within a few feet of the payphone enclosure at little cost and with minimal inconvenience.

Similar situations arise with respect to customers such as grocery chains. For example, in one case a grocery chain asked that payphones (provided by a non-RBOC PSP) be placed in front of the store even though the "designated MPOE" was located several hundred feet away, inside the store, in the back. Rather than running a wire through the entire store, the RBOC simply connected the payphones to the nearest RBOC wiring in front of the store. If the RBOC had been required to connect the payphones through the MPOE hundreds of feet away, it would have cost the independent PSP thousands of dollars.

Finally, drive-up payphones in states like Nebraska are often located at the end of the parking lot, as far away from businesses as possible. Once again, requiring the network interface to be installed at the business's location would necessitate tearing up the asphalt and laying conduit, even though there are many terminals that are much closer to the payphones. The cost, in general, is about $1800 per phone, and

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[1]Aerial wires are not a viable possibility because they offer too little clearance for the large semi-trucks that frequent this location. In addition, they are aesthetically displeasing.

costs may be significantly higher if the area is landscaped or there are obstacles that must be avoided.[2]

These are but a few examples of the dislocations that would arise if the FCC were to adopt an inflexible MPOE requirement for payphones. The costs of providing these phones would be senselessly inflated, and many location providers would choose to have them removed rather than suffer the inconvenience and loss of business that would result if their property had to be torn up. The RBOC Payphone Coalition therefore urges the FCC to adopt a flexible MPOE standard, which will generally be applicable where the payphones are sited in outdoor locations. This would be consistent with the Commission's current demarcation rules, which allow the RBOC to select among "practicable" demarcation points (including the building or the property on which the dwelling sits) so long as the choice is reasonable and non-discriminatory. See 47 C.F.R. § 68.3 (defining "demarcation point").

Unbundling. Like the use of an inflexible MPOE standard, requiring extensive "unbundling" of services used by payphone service providers is likely to prove costly and unproductive.

At the outset, however, the Coalition should point out that many services for which unbundling has been requested -- including loop distribution, loop feeder, local switching, call validation and LIDB access -- are not unique to payphone services. To the contrary, these elements are common to all or many types of phone service. As a result, they are being addressed in the Local Competition docket, CC Dkt. No. 96-98.

Some of the demands for unbundling, however, are specific to payphones. For example, some commenters have requested unbundled coin control, coin supervision, and call rating service. While these services are available on the standard coin line, it is not feasible to "unbundle" them and offer them separately at this time. There is a significant interdependence between these features, and they require a tremendous amount of coordinated communication between the payset and the network. Offering them on an unbundled basis would therefore necessitate significant and

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[2]Even more extreme difficulties would arise where governmental entities request the installation of payphones on public property, such as at a street corner or in a national park. In such a case, the nearest building belonging to the customer may be miles from the payphone set.

costly revisions to switch logic and operator service systems.[3] Moreover, it is far from clear that, even if LECs could make these services available on an unbundled basis, there would be any demand for them. The Coalition is not aware of any payphone station equipment in production today that could utilize unbundled elements of coin line functionality. Only the "dumb" payphone sets used by many LECs employ coin line functionality today, and they need the *entire* functionality in order to remain operational. It is thus no surprise that none of the commenters have committed themselves to purchasing *any* "unbundled" coin functionality -- no one will commit to using it because no one can use it. In the absence of demonstrated demand for "unbundled" coin functionality, requiring expensive and risky reprogramming of LEC switches is not warranted at this time.

Commenters also have expressed a desire for fraud protection features such as originating line screening, billed number screening, 900/976 call blocking, and international 1+ call blocking. These services, too, are available as part of the standard coin line or alternative access line today.

Finally, answer supervision is available today on both the standard and alternate coin line. Each line, however, provides this function differently. The standard coin line receives the answer and disconnect indication at the switch side of the end office and invokes the collect or return function within the switch to signal the station. The alternate access line, in contrast, offers answer and disconnect indications using a battery reversal. This feature exists in the DMS 100 and 5E switches.[4]

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[3]The request of other commenters for "individually ratable coin lines" similarly cannot be met without substantial modifications to switch software. The LEC Operator Services Systems today contain only one rate table for coin service; to provide individually ratable coin lines, the software would have to be rewritten and rate tables created for each coin line. This would be highly uneconomical.

[4]One commenter has asked for antifraud protection for collect and third party calls. This is currently provided by assigning special 8000 and 9000 numbers to payphones where possible. Another commenter has asked that special "cuckoo tones" be provided as well; the cuckoo tone would be provided by the switch and would alert the operator to the fact that the called number is a coin station. The problem with cuckoo tones is that they substantially delay completion of the call. As a

In the end, the Commission must recognize that it is costless for commenters to demand "unbundling" but costly for the LECs to provide it. The Commission therefore should not require unbundling in the absence of demonstrated demand. The two types of lines currently offered to LEC PSPs -- standard coin lines and alternate access lines -- should be made available on a non-discriminatory basis to non-LEC PSPs as well. But further unbundling should be contemplated only in the context of a specific request, and only when proven economically feasible in light of realistic cost estimates and demonstrated demand. Such requests easily could be accommodated within the Commission's ONA structures, and the processes for dealing with such requests can be made part of each RBOC's CEI plan.[5]

I would ask that you include this letter in the record of this proceeding. If you have any questions concerning this matter, please contact me at (202) 326-7902.

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result, cuckoo tones currently are used only by eight countries, and were rejected as a mandatory antifraud provision by the National Toll Fraud Prevention Committee in 1992. The National Toll Fraud Prevention Committee instead recommended assigning paystations numbers in the 8000 and 9000 number groups to allow screening by the operator services system handling the call.

[5]In this regard, the RBOC Payphone Coalition agrees that they will have to file CEI plans for payphone services as part of the Computer III safeguards mandated by statute.

Thank you for your consideration.

Yours sincerely,

Michael K. Kellogg

cc: M. Carowitz
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